

## **BILL ANALYSIS**

H.B. 2536  
By: Creighton  
Natural Resources  
Committee Report (Unamended)

### **BACKGROUND AND PURPOSE**

In 2007, the Legislature passed S.B. 1436, which established the Floodplain Management Account as a special fund in the state treasury. The bill took \$3.05 million per year of the maintenance tax that the Department of Insurance currently collects on premiums for Fire and Allied Lines insurance and dedicated it to this account, to be used by the Texas Water Development Board for coordination of the National Flood Insurance Program. However, this money got swept into general revenue by the Funds Consolidation Act.

H.B. 2536 makes clarifying changes to the Floodplain Management Account and exempts it from the provisions which allow dedicated funds to get swept into the general revenue fund.

### **RULEMAKING AUTHORITY**

It is the Committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

SECTION 1. Amends Section 16.3161, Water Code, as follows:

Sec. 16.3161. FLOODPLAIN MANAGEMENT FUND. Renames the Floodplain Management Account to the Floodplain Management Fund.

Subsection (a) clarifies fund rather than account. Subsection (a)(4) provides that interest earned on money credited to the fund is added to the composition of the fund.

Subsection (b) clarifies fund rather than account.

Subsection (c) clarifies fund rather than account.

Subsection (d) clarifies fund rather than account.

Subsection (e) provides that Section 403.095, Government Code, does not apply to the fund.

SECTION 2. Amends Section 251.004 (b), Insurance Code, as follows:

Subsection (b) clarifies fund rather than account.

SECTION 3. Provides that the fund is redesignated and is recreated by this act as a special fund in the state treasury outside the general revenue fund, and that appropriate revenue is to be reallocated to the fund.

SECTION 4. Provides the effective date of this Act.

### **EFFECTIVE DATE**

This Act takes effect immediately if it receives a vote of two-thirds of all members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2009.